



Croydon  
College



**MEETING OF THE FINANCE AND RESOURCES COMMITTEE**  
**Wednesday 17 November 2021 at 6.00pm**  
**Virtual Meeting**

**MINUTES**

**Present:** Tony Stevenson (Chair for the meeting)  
 Caireen Mitchell (Principal & CEO)  
 Nasim Jivani Hemani  
 Catherine Boyd-Maunsell  
 Niral Patel

**In attendance:** Ann-Christine Harland (VP Finance and Resources)  
 Fadia Clarke (VP Training, Skills and Higher Education)  
 Helen Langford (Head of HR) – Items 5 and 7 (in relation to risk 4 only)

**Clerk:** Clare Mitchell, Director of Governance

<b>1.</b>	<p><b>Apologies for Absence</b></p> <p>Apologies for absence were received from Andrew Lowe.</p>
<b>2.</b>	<p><b>Declarations of Interest</b></p> <p>There were no declarations of interest.</p>
<b>3.</b>	<p><b>Financial Position</b></p> <p>i. <u>Financial Monitoring and Forecast as at 30 September 2021</u></p> <p>The Committee <b>noted</b> the report, which summarised the College’s financial performance for the two months to 30 September 2021. For the two-month period to September, the report showed an operating surplus of £559k compared with the budgeted position of £381k, a positive variance of £178k. However, the current enrolment forecast figures of 2,604 for 16-19 year olds at 24 October 2021 was below the planned target of 2,744, which included 3% growth, and lower than the College’s ESFA allocation target of 2,639. As a result the forecast contributions of the relevant curriculum areas had been reduced by 3.5% at the Croydon Campus and 7% for the Coulsdon Campus.</p> <p>Cash flows were more buoyant than forecast in the CFFR because of additional grants and the £200K underspend on the Clinical Simulation Centre (CSC). Forecast capital spend for 2021/22 would be pushed back, as the outcome of the College’s bid for FECTF was not now expected until the end of the calendar year.</p> <p>ii. <u>ESFA Letter and Financial Dashboard – CFFR 2021-2023</u></p> <p>The Committee <b>noted</b> the ESFA’s letter confirming that, on the basis of the College’s most recent CFFR, the College’s expected financial health grade was Good for both 2020/21 and 2021/22.</p> <p>The VPF&amp;R reported that as the financial outturn position for 2020/21 had been above forecast the College’s financial health grade was on the cusp of Outstanding for 2020/21. The Committee asked what the College would need to do to improve</p>

	<p>its financial health grade to meet the requirements for Outstanding. The VPF&amp;R stated that the College would need to reduce its non-pay expenditure by about £250K, increase its high margin income streams and increase the number of apprentices to spread core costs.</p> <p>The Committee also <b>noted</b> financial dashboard for the College provided by the ESFA.</p> <p>iii. <u>Draft Financial Statements 2020/213</u></p> <p>The VPF&amp;R presented the draft financial statements which had been reviewed by Buzzacott, the College’s external auditors. The surplus for the year was reconciled to the month twelve management accounts at Annex B. The reconciling adjustments, from an outturn surplus of £1,473K to £21K, related largely to the impact of FRS102 and the Local Government Pension Scheme (LGPS) valuation expense of £1,666K. The VPF&amp;R reported that the College’s contribution to the LGPS would be reviewed in 2022 and this was an area of financial risk to the College.</p> <p>The VPF&amp;R drew the Committee’s attention to the College’s achievement against KPIs in 2020/21 and the key risks identified in the report. Payment performance, which had declined from 79% to 72% between 2019/20 and 2020/21 would be an area of focus in 2021/22. This year’s statement on Board effectiveness would be included in the next draft.</p> <p>The triennial valuation of the Selhurst site had very recently taken place. If there was a material change in the value, adjustments would be made to the financial statements before they were presented to the Board. Two related party disclosures relating to one former and one current Governor were included within the financial statements. The College had recently received £450K of capital funding from the Office for Students for the CSC, which would be declared in 2021/22.</p> <p>The VPF&amp;R confirmed that reporting on sustainability within the financial statements was currently voluntary for FE Colleges. Disappointingly, this data was not currently collected by the ESFA as part of the financial record.</p> <p>The Chair asked for the format of the annual report to be reviewed for the 2020/21 so that it was presented in a more accessible form and for there to be a direct read across between the annual report and the final version of the OQIP for 2021/22.</p> <p><b>Action: P&amp;CEO/VPF&amp;R to review the presentation of the annual report for 2021/22 and ensure a direct read across between the annual report and the final version of the OQIP for 2021/22</b></p> <p>The Committee <b>recommended</b> the Financial Statements to the Board for approval to the Board, subject to the potential changes noted in the cover paper.</p>
<p>4.</p>	<p><b>Key Performance Indicators</b></p> <p>i <u>Proposed College KPIs 2021-22 - Finance, Staff and Estates</u></p>

	<p>The Committee <b>recommended</b> the proposed College KPIs for 2021/22 for Finance, Staff and Estates to the Board for approval. The KPI for 16-18 student numbers was RAG rated as red. The VPF&amp;R reported that enrolment numbers for this age group were now over 50 below allocation. This would have a financial impact in 2022/23 unless additional students could be recruited in year. The outturn position for 2020/21 for the estates target for the % of Category B or below estate at the Croydon campus was not yet known.</p> <p>ii      <u>Operational and Quality Improvement Plan 2020/21 – Strategic Objectives 4 and 5</u></p> <p>The Committee <b>noted</b> the final update to the 2020/21 OQIP.</p>
<p><b>5.</b></p>	<p><b>Human Resources Update</b></p> <p>The HoHR presented an update on the Universities and Colleges Union (UCU) industrial action, which had now ended. A number of the issues raised by the UCU had been or were being addressed, but all were in areas where the College had planned to take action. There had been no increase to the budgeted 2% pay increase for staff in 2021/22. Relationships with local union representatives were now good.</p> <p>The industrial action had delayed staff involvement in the development of action plans from the staff survey results. This work was now underway and the deadline for the action plan was 31 December 2021. Responses to the stakeholder surveys sent out as part of the Investors in Diversity accreditation had also been impacted and the deadline for responses had been extended.</p> <p>The 2020/21 appraisal process would be conducted through i-Trent. An appraisal rating system was being introduced at Coulsdon for the first time. This had been consulted on with the National Education Union (NEU).</p> <p>The HR Annual Report for 2020/21 showed an increase in sickness absence to 2% following the low sickness levels seen during the pandemic. Staff turnover had been low during the pandemic but was now at 16% for 2020/21 with 36% of leavers in the period June to August 2021. In response to a question, the HoHR confirmed that exit interviews did take place and HR was reviewing this information to identify any themes. There were one or two areas, including the Additional Learning Support (ALS) team, where turnover was particularly high. Action was being taken to develop a career pathway and provide development opportunities in ALS. ALS was also an area with a significant number of agency staff and a plan was in place to recruit permanent staff to this area by 31 March 2022. The HoHR was asked to provide an analysis of turnover by job role and pay quartile.</p> <p><b>Action: HoHR to provide an analysis of turnover by job role and pay quartile.</b></p> <p>The Committee also reviewed the pay gap reports and asked for the mean pay for men and women in each quartile to be included prior to publication</p> <p><b>Action: HoHR to include the mean pay for men and women in each quartile in the pay gap report prior to publication</b></p> <p>A Managers Charter was being developed with stakeholders. A shorter, more visual, version would also be developed and the charter would be built into the staff code of conduct. The roll out of the charter would be supported by HR. A clear policy was now in place for the use of agency workers. The College had limited</p>

	<p>financial resources and these needed to be focused on established staff. This policy linked to the changes to the recruitment and selection process and the emphasis on managers' planning recruitment more effectively. The Academic Pay Progression Policy (previously the Modernising Pay Policy) affected teaching staff at the Croydon Campus. Following negotiations with the unions it had been agreed that teaching staff could progress to spine point 8 if they met the necessary criteria, but new staff could not be directly appointed onto this spine point.</p> <p>The Committee <b>discussed</b> the HR update and HR Annual Report for 2020/21 and <b>approved</b> the Gender and Ethnicity Pay Gap Data for publication subject to the action above. The Committee <b>noted</b> the updated HR policies.</p> <p>The Committee congratulated the HoHR on her work.</p>
<p><b>6.</b></p>	<p><b>Property Strategy</b></p> <p>i. <u>Property Update</u></p> <p>The Committee <b>noted</b> the update on the College's Property Strategy. The two T level capital projects had been funded and tendering for services was now underway. Work would now begin in the summer term at the Croydon Campus. The work at the Coulsdon Campus was largely planned for the summer holidays.</p> <p>The College was also tendering for consultants whilst awaiting the outcome of the second stage application for FECTF funding. This was to avoid delays starting work if the bid was successful.</p> <p>The College bid for Post 16 capacity funding for the Coulsdon Campus had not been successful. However, the VPF&amp;R was hopeful that there would be further opportunities to bid for this funding. In the meantime, the College had an outline design for the extension to the refectory. This would require planning permission from the Council. The cost of getting to the stage where planning permission could be sought was approx. £70K and a decision would need to be taken about how much should be invested "at risk" in this project when it was clearer whether capital funding was still available from the Council to create a permanent Pathway Centre in the Coulsdon Campus building.</p>
<p><b>7.</b></p>	<p><b>2021-22 Risk Report Autumn 2021</b></p> <p>The HR risks 4.1 and 4.3 had been assessed as medium gross risk and low net risk. In terms of risk 4.1, more time was needed to evidence the impact of moving the appraisal process onto i-Trent and the talent management work that was underway. In terms of risk 4.3 there was further work to do to develop staff engagement. The review of HR policies had been delayed but was now expected to be on track by January 2022. Risk 4.4 was assessed as a medium gross risk and a medium net risk. New developments in i-Trent had been prioritised over the summer, leading to increased efficiencies in appraisals and recruitment options. A new staff agency policy had been introduced as described above.</p> <p>Risks 5.1, 5.2 and 5.3 had been assessed as high gross risk and medium net risk. There were a number of sub-risks that were rated as red for risks 5.1, 5.2 and 5.3. A significant number of 16-18 years olds had not yet been timetabled for the full 540 hours which would enable maximum funding to be claimed from the ESFA. The total number of 16-18 year olds enrolled for 2021/22 was currently below allocation. There was low delivery of the National Skills Fund and a strategy needed to be</p>

	<p>further developed to avoid clawback of ESFA AEB funding. The level of subcontracting would reduce in 2021/22 and further in 2022/23 and so the ability to grow the Distance Learning and Apprenticeship incomes remained a risk. There was a red health and safety risk relating to maintenance of engineering machinery at the Croydon Campus. FE Colleges would need to fund the increase in employer NI from March 2022 and this was combined with higher levels of inflation, which was a risk to the College achieving its financial forecast.</p> <p>Heads of Schools had now been given KPIs relating to data quality and plans were in place to automate work experience reporting. There would be an internal audit of cyber security early in the New Year. The report and any recommendations would be scrutinised by the Audit Committee.</p> <p>Risk 5.4, relating to the estates strategy, had been assessed as a medium gross and low net risk.</p> <p>The Committee <b>approved</b> the updated Risk Management Plan for Strategic Risks 4 and 5 for consideration by the Audit Committee</p>
<p><b>8.</b></p>	<p><b>Annual Health and Safety Report</b></p> <p>The Committee <b>noted</b> the Health and Safety Report for 2020/21. Ongoing management of Covid risk had continued in 2020/21.</p> <p>Accidents were significantly lower at both campuses compared to last year and there had been no Riddor reports. Regular meetings had taken place with Tide Construction in relation to staff and building safety. In addition, the College’s insurers had visited the site and reviewed all of the oversailing project proposals and access road arrangements, and were satisfied with the plans.</p> <p>Summer 2021 inspections of equipment identified training needs for technical staff in the engineering workshops, and the need for checks on a more regular basis in that area to ensure the deterioration in maintenance does not reoccur. An action plan to address this would be brought to the next meeting of the Health and Safety Group.</p>
<p><b>9.</b></p>	<p><b>Annual Sustainability Report 2021/22</b></p> <p>The VPF&amp;R presented the report to the Committee. A revised Annex B had been tabled. There had been a change to the factors used to convert electricity usage into CO2 for 2020/21, which had not been reflected in the original calculations. The revised calculation showed an increased saving for the College in CO2 generated from electricity usage in 2021/22.</p> <p>The sustainability strategy for 2019/24 had been updated with objectives for 2021/22. Good progress was now being made on embedding sustainability within teaching, learning and the curriculum and student involvement in this area had increased.</p> <p>The updated Estates Strategy, which would come to the Committee in March 2022, would have strong links to the sustainability strategy.</p> <p>The Committee <b>recommended</b> the Annual Sustainability Report to the Board for approval.</p>
<p><b>10.</b></p>	<p><b>Policy updates</b></p>

	<p>i. <u>Annual Review of the Financial Regulations</u></p> <p>The Committee <b>recommended</b> the amendments to the Financial Regulations to the Board for approval.</p> <p>ii. <u>HE Tuition Fees 2022/23</u></p> <p>The VPTSHE proposed that HE tuition fees for 2022/23 for Degree courses and HNC/D courses should be maintained at £6,000 and £5,450 respectively and that fees for international students should increase from £6,995 to £7,500. Fees for international students had not been increased for five years. The Croydon University Centre currently had seven international students with the maximum number of international HE students approved to study at the College under Tier 4 being 12.</p> <p>The Committee <b>recommended</b> the HE tuition fees above for 2022/23 to the Board for approval.</p>
<b>11.</b>	<p><b>Minutes of the Meeting held on 23 June 2021</b></p> <p>The minutes of this meeting were <b>approved</b> as a correct record.</p>
<b>12.</b>	<p><b>Matters Arising not on the Agenda</b></p> <p>The Committee <b>noted</b> the action list.</p>
<b>13.</b>	<p><b>Committee Self-Assessment</b></p> <p>The Committee <b>discussed</b> the paper and reflected on the current meeting. Dividing the papers into a main pack and appendices had not worked well for this meeting. The reports were very comprehensive. However, the length of the papers and the lack of clarity on the key issues were seen as a barrier to Governor input.</p> <p>The P&amp;CEO agreed that she and the VPF&amp;R would consider how to reduce the length of the papers and develop a key issues report for F&amp;R to which further information could be appended for the next meeting.</p> <p><b>Action: P&amp;CEO and VPF&amp;R to consider how to reduce the length of the papers and develop a key issues report for F&amp;R to which further information could be appended</b></p> <p>The Committee <b>agreed</b> that its performance was good.</p>
<b>14.</b>	<p><b>Post Meeting Reflection</b></p> <p>See item 13 above.</p>
<b>15.</b>	<p><b>Any other business</b></p> <p>There were no items of other business.</p>
<b>16.</b>	<p><b>Dates of future meetings</b></p> <p>Wednesday 2 March 2022</p>

	Wednesday 15 June 2022
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*Approved as an accurate record by the Finance and Resources Committee at its meeting on 2 March 2022*

*Clare Mitchell  
Director of Governance*